

CIPFA Property Briefing

The Transparency Agenda – Property Attributes

13th December 2013



Briefing on Transparency Agenda – Property Attributes

ENGLISH LOCAL AUTHORITIES

13th December 2013

We've been updating you for some time about the proposed property attribute information that will need to be made publically available by Local Authorities in response to the Transparency Agenda. Yesterday we finally saw what the Government's proposals will be and these are outlined at:

<https://www.gov.uk/government/news/eric-pickles-champions-open-government-with-new-wave-of-town-hall-transparency>

The property attributes are part of a much wider drive to help cut council waste and increase local accountability that includes information on

- spending on corporate credit cards
- greater openness on the money raised from parking charges
- subsidies given to trade unions
- information on councils' contracts and tenders
- grants given to voluntary and community groups

We will cover all of this in our future AMP events and briefings, but for now we thought we had better highlight the key requirements for property transparency as follows:

- The key proposals and Government's response to Consultation are included within https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/265425/Code_of_Recommended_Practice_for_Local_Authorities_on_Data_Transparency_-_Government_Response_to_Consultation.pdf
- Any feedback and points of clarification should be sent by 17 January 2014 and must be sent by email to: transparencycode@communities.gsi.gov.uk

- The government will regulate **to require** local authorities to provide - basic information about a local authority's land and assets **on an annual basis**. The Government believes this will "enable better strategic management of local authority estate, with opportunities for savings through co-location and sharing services, enable communities to hold their authorities to account over use of these assets and also to seek community asset transfer"
- The government has decided to exempt parish and town councils from compliance with the revised Code, though it will remain recommended practice for those with an annual income or expenditure over £200,000.
- Local authorities **must** publish details of all land and building assets based on Office of Government Commerce guidance 08/05.
 - This includes:
 - all service and office properties occupied or controlled by user bodies, both freehold and leasehold
 - any properties occupied or run under Private Finance Initiative contracts
 - all other properties they own or use, for example, hostels, laboratories, investment properties and depots
 - garages unless rented as part of a housing tenancy agreement
 - surplus, sublet or vacant properties
 - undeveloped land
 - serviced or temporary offices where contractual or actual occupation exceeds 3 months and,
 - all future commitments, for example under an agreement for lease, from when the contractual commitment is made.
 - Exclusions are as follows:
 - social housing

- rent free properties provided by traders (such as information booths in public places or ports)
 - operational railways and canals
 - operational public highways (but any adjoining land not subject to public rights should be included)
 - assets of national security
 - information deemed inappropriate for public access as a result of data protection and/or disclosure controls (e.g. such as refuge houses).
- For each land or building asset, the following information **must be published** together in one place:
 - Unique Property Reference Number
 - Unique Asset ID - the local reference identifier used by the local body, sometimes known as local name or building block. There should be one entry per asset or user/owner (e.g. on one site there could be several buildings or in one building there could be several users floors/rooms etc – where this is the case, each of these will have a separate asset ID). This must include the Original Reference Number from the Data Source plus authority code
 - name of the building/land or both
 - street number or numbers - any sets of 2 or more numbers should be separated with the '-' symbol (e.g. 10-15 London Road)
 - street name – this is the postal road address
 - postal town
 - United Kingdom postcode
 - easting and northing (geocoding in accordance with ISO 6709 Standard Representation for Geographic Point Location by Coordinates, usually a centre point of the asset location)

- whether the local authority owns the freehold or a lease for the asset and for whichever category applies, the local authority must list all the characteristics that apply from the options given below:
 - for freehold assets:
 - occupied by the local authority
 - ground leasehold
 - leasehold
 - licence
 - vacant
 - for leasehold assets:
 - occupied by the local authority
 - ground leasehold
 - sub leasehold
 - licence
 - for other assets:
 - free text description e.g. rights of way, access etc.
- whether or not the asset is land only (i.e. without permanent buildings) or it is land with a permanent building.
- “It is **recommended** that local authorities should go further than the mandatory publication requirements set out above and “publish information on a monthly instead of annual basis, or ideally, as soon as it becomes available and therefore known to the authority (commonly known as ‘real-time’ publication). It is also recommended that local authorities should publish all the information possible on ePIMS”
- Information **recommended** for publication is as follows:
 - the size of the asset measured in Gross Internal Area (GIA, m²) for buildings or hectares for land, in accordance with the Royal Institution of Chartered Surveyors Code of Measuring Practice. The Gross Internal Area is the area of a building measured to the

internal face of the perimeter walls at each floor level. Local Authorities using Net Internal Area (NIA, m²) should convert measurements to Gross Internal Area using appropriate conversion factors and state the conversion factor used.

- the services offered from the asset using the services listed from the Effective Services Delivery government service function list <http://doc.esd.org.uk/FunctionList/1.00.html> (listing up to five main services)
- the reason for holding asset such as, it is occupied by the local authority or it is providing a service in its behalf, it is an investment property, it supports economic development (e.g. provision of small businesses or incubator space), it is surplus to the authority's requirements, it is awaiting development, it is under construction, it provides infrastructure or it is a community asset
- whether or not the asset is either one which is an asset in the authority's ownership that is listed under Part 5 Chapter 3 of the Localism Act 2011 and/or an asset which the authority is actively seeking to transfer to the community
- total building operation (revenue) costs as defined in the Corporate value for money indicators for public services at <http://www.vfmindicators.co.uk/guidance/2010-11-Estates-Management.pdf>
- required maintenance - the cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service and/or to meet statutory or contract obligations and maintain it at the standard. This should exclude improvement projects but include works necessary to comply with new legislation (e.g. asbestos and legionella)
- functional suitability rating 1-4 using the scale:
 - good – performing well and operating efficiently (supports the needs of staff and the delivery of services)

- satisfactory – performing well but with minor problems (generally supports the needs of staff and the delivery of services)
 - poor – showing major problems and/or not operating optimally (impedes the performance of staff and/or the delivery of services)
 - unsuitable – does not support or actually impedes the delivery of services
- energy performance rating as stated on the Display Energy Certificate under the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007.

CIPFA Property Comments:

Whilst this announcement is not unexpected it has taken a long time coming. Reassuringly much of it is what we expected and communicated at the AMP Network Events, for example we predicted there would be 'Mandatory' and 'Recommended' Attributes and this has proved to be the case.

The only **Mandatory Attribute** amendment we have spotted so far is that 'Asset Tenure' options have changed slightly.

There are however more changes to the **Recommended Attributes** as follows:

- Addition of a requirement to state whether an asset is "is listed under Part 5 Chapter 3 of the Localism Act 2011 and/or an asset which the authority is actively seeking to transfer to the community" Part 5, Chapter 3 of the Localism Act refers to the List of Assets of Community Value so it shouldn't be too much of an additional burden to add this information.
- "Reason for Holding Property" attribute – Options have changed
- Number of FTEs in office accommodation has been dropped
- Asset Condition has surprisingly been dropped when it is an important foundation of asset management strategy. 'Functional Suitability' however has been retained which whilst being extremely important is less regularly collected by local authorities and may involve considerable additional work to collect.
- VOA asset rateable value has been dropped
- Total building operation (revenue) costs has been retained. From experience we know there is a wide spectrum of interpretation for this area and have some reservations about it being publically available and comparable.

So the big question is when does this all get introduced? There is no start date stated within the Government's response although we understand it is still the intention for authorities to start publishing this data from 1st April 2014. There is also likely to be some period of grace for authorities to get up to speed but this has not been confirmed to us as yet.

Another question is why the government are consulting again, when they have already done so? We understand that this is because 'The Local Government Planning and Land Act 1980' states that the government must consult where they require "information to be published more frequently than annually". As the revised Code requires certain information to be published quarterly the further consultation is necessary as this point wasn't previously made clear.

We have also been informed that the Department for Communities and Local Government will be holding workshops to share details of the main changes proposed within the revised Code and detail of these will be available in the near future.

As more information becomes available CIPFA Property will keep you informed through briefings/circulars, and our AMP events in February will be invaluable as we will be going through the details of the transparency agenda.

If you have any questions on this or any current asset management issue, please do not hesitate to contact us.